

BURGEE & ABRAMOFF

PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

16133 VENTURA BOULEVARD, SUITE 1145
ENCINO, CALIFORNIA 91436

JOHN G. BURGEE

TELEPHONE
(818) 788-1600

TELECOPIER
(818) 788-2600

May 5, 2000

BY TELEFAX — (510) 286-0470
& EXPRESS COURIER

Mr. Gary Hernandez, Chair
California State Coastal Conservancy
1330 Broadway, Suite 1100
Oakland, California 94612

Re: 21704 Pacific Coast Highway, Malibu (APN 4451-003-033)

Dear Mr. Hernandez:

This firm is counsel to Mr. Jeff Greene in connection with claims relating to the referenced property. In a recently filed lawsuit, Mr. Greene asserts that the present titleholders of the property have an obligation to convey title in the property to him based upon their tortious interference with his contract to purchase that property. Based upon the claim to title to the property, Mr. Greene has recorded a lis pendens. Copies of the lawsuit (Greene v. Riordan) and the lis pendens are enclosed for your reference.

As alleged in the lawsuit, the present owners of the property made a pre-arranged deal with the California Coastal Commission in order to obtain special accommodations for mansions that they are constructing. That deal involves donating the land to the California State Coastal Conservancy. It is my understanding that on April 27, 2000, the Conservancy voted to accept the present titleholders' offer to dedicate fee title to the property.

I am writing to place the Conservancy on notice that title to the property is in dispute and subject to pending litigation. Based upon notice of the litigation, the Conservancy would not acquire title to the property free of Mr. Greene's claims and would be subject to be dispossessed of title. Moreover, if the Conservancy does take title to the property, it will be necessary to include the Conservancy as a defendant in the present litigation.

BURGEE & ABRAMOFF

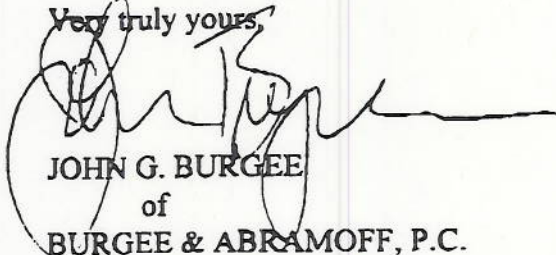
Mr. Gary Hernandez, Chair

May 5, 2000

Page 2

Please let me know if you require any further information. Otherwise, I would hope that you will act prudently while the parties attempt to resolve this dispute.

Very truly yours,



JOHN G. BURGEE
of
BURGEE & ABRAMOFF, P.C.

Encl.

cc: Marc Beyeler, Project Manager
Pat Peterson, Deputy Attorney General